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Global Analysis Report

Commodity Innovation Series

New Beverage Products
In China

April 2017

Executive summary

- Globally there were 14, 872 beverage products introduced between January 2006 to December 2016, with 40% of the new products launches occurring within the hot beverages, juice drinks, and alcoholic beverages categories.
- The companies to launch the most beverage products were Coca-Cola, PepsiCo, and Dingjin Food. Coca-Cola launched 291 beverage products, 88% of which were entirely new introductions, range and variety extension.
- During the review period, the use of oats and barley in beverage products surged, with over half of the new occurring between 2013 and 2016.
- The top claims for beverage products launched in China commonly had health and convenience related claims such as no additives/preservatives, low/no reduced sugar, and time/speed.

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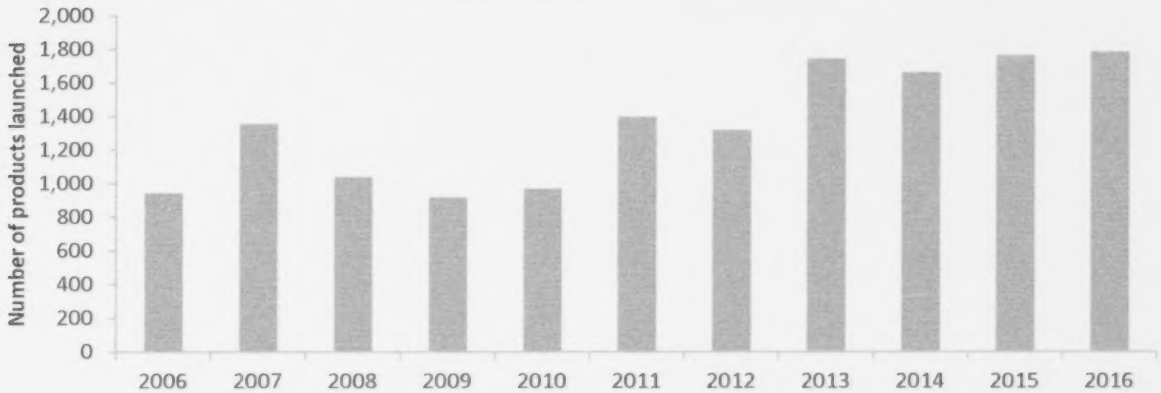
- New products containing pulses ingredients in China - 2016

Introduction

According to Mintel, from January 2006 to December 2016, there were 14,872 beverage products launched in China. Of the total products launched 50% were new, while 30% were new variety/range extension, and 20% were new packaging, new formulation, and relaunches.

In figure 1, you can see growth in beverage product launches in China during the 10 year review period. The most product launches occurred in 2016 with a total of 1,781, most of which were entirely new product introductions.

Beverage products launched in China, from January 2006 to December 2016



Source: Mintel 2017

Product categories

The product categories to have the most beverage launches, were hot beverages, juice drinks, alcoholic beverages, other beverages (this includes beverage concentrates/mixes, nutritional, and meal replacement drinks), and ready-to-drinks (RTD).

Hot beverages

- 4,310 new hot beverage products were launched in China during the review period.
- Tea was the leading sub-category with a total of 3,120 beverage launches which accounted for 72% of the hot beverage category.
- Malt, other hot beverages, and coffee accounted for 27.6% of the hot beverage category.

Juice drinks

- 4,247 juice drinks were launched during the review period.
- Fruit/flavoured still drinks lead the category with 2,420 product launches, thus making up over 50% of the juice category.
- Nectars and juice only made up 43% of the category.

Alcoholic beverages

- 1,520 alcoholic beverages were launched during the review period.
- The beer sub-category saw the most significant launches with 804 product introductions.
- Flavoured alcoholic beverages, other spirits, and fortified and other wines made up 37% of the product launches in the category.

Other beverages

- 1,238 other beverages were launched during the review period.
- Meal replacements and other drinks saw the most launches and accounted for 48% of the categories launches with 657 product introduction.
- Beverage mixes and concentrates combined made up 52% of the category of launches.

Ready-to-drinks (RTD)

- 1,238 RTD products were launched during the 10 year review period.
- Most of the product launched came from RTD ice tea with 1,046 launches.
- RTD iced coffee launches only made up 16% of the category launches.

Water

- 999 water products were launched during the review period.
- Flavoured water only accounted for a slight portion of the category with 186 launches in the 10 year review period.

Carbonated soft drinks

- 755 carbonated products were launched in the review period.
- On average there were 69 carbonated product launches per year throughout the review period. However, 2015 saw significant increase in number of launches with a total 100 products occurring that year.

Sports and energy drinks

- 444 sports and energy drinks launched throughout the review period.
- Energy drinks saw a slight more in product launches with a total of 238 while sports drinks saw 206.
- Over the review period, the category saw significant increase in launches from 19 product launches in 2006 to 92 in 2015.

Top beverage products launched categories and their top sub-categories in China, From January 2006 to December 2016.

Category	Sub-Category	Number of products
Hot beverages	Tea	3,120
	Malt and other hot beverages	695
	Coffee	495
Juice drinks	Fruit/flavoured still drinks	2,420
	Nectars	1,210
	Juice	617
Alcoholic beverages	Beer	804
	Flavoured alcoholic beverages	255
	Other spirits	195
Other beverages	Meal replacements & other drinks	657
	Beverage mixes	474
	Beverage concentrates	228
Rtds	RTD (iced) tea	1,046
	RTD (iced) coffee	192
Water	Water	813
	Flavoured water	186
Carbonated soft drinks	Carbonated soft drinks	755
Sports & energy drinks	Energy drinks	238
	Sports drinks	206

Source: Mintel, 2017.

Company

In the review period, 100 companies across China launched beverage products. The companies to launch the most products were Coca-Cola, PepsiCo, and Dingjin Food. Coca-Cola launched 291 beverage products 88% of which were entirely new introductions, range and variety extensions. On average, Coca-Cola launched 26 beverage products per year throughout the review period, most of which occurred within the carbonated soft drinks, fruit flavoured still drinks, water, and RTD iced tea.

The second largest company to launch beverage drinks was PepsiCo with 214 product launches. Most of PepsiCo beverage products were relaunches based on new package innovation which made up 69% of the company's launches. The remaining launches were new products, variety and range extensions.

The third largest company was Dingjin Food, a domestic enterprise, with 166 product launches occurring in the review period. Over 38% of Dingjin Food was new product introductions while the other launches were re-launches based on package innovation. Most of the company's beverage products occurred in the RTDs (89) and juices drinks (68) categories.

Top companies and their top brands, from January 2006 to December 2016.

Source: Mintel 2017.

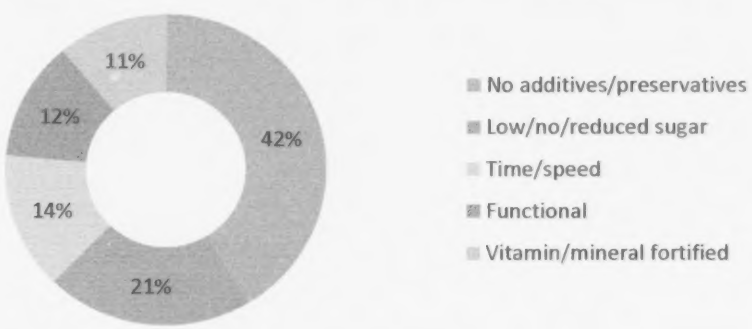
Top beverage products launched categories and their top companies in China, From January 2006 to December 2016.

Category	Company	Number of products
Hot beverages	Nestlé	87
	Unilever	79
	Yijiangnan Tea	73
Juice drinks	Coca-Cola	77
	Dingjin Foods	68
	Unif	58
Alcoholic beverages	Tsingtao Brewery	60
	Budweiser Wuhan International Brewing	56
	China Resources Snow Breweries	50
Other beverages	Kraft Foods	23
	Nestlé	22
	Chuang Kang Food & Beverage	19
Rtds	Dingjin Foods	89
	Unif	83
	Tenwow Group	51
Water	Coca-Cola	24
	Wahaha Group	20
	Qingdao Laoshan Spring Water	17
Carbonated soft drinks	Coca-Cola	160
	PepsiCo	146
	Wahaha Group	24
Sports & energy drinks	Robust Food & Beverage	28
	En-Snow Foods	21
	Jianlibao Group	16
	Total products launched	14,872

Source: Mintel, 2017.

Product claims

The top product claims for beverage products launched in China commonly had health and convenience related claims such as no additives/preservatives, low/no reduced sugar, and time/speed. All of which is in line with the growing consumer trends for healthy and quickly prepared food and drink items.



Source: Mintel, 2017.

Top categories and their top claims in China, from January 2006 to December 2016.

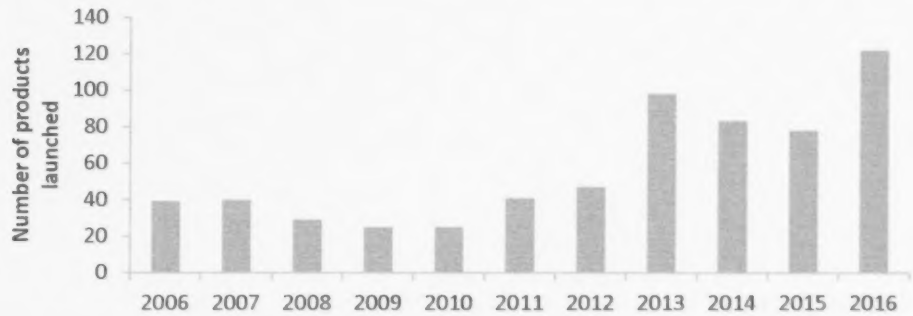
Category	Claim	Number of products
Hot beverages	Time/speed	622
	No additives/preservatives	390
	Ease of use	225
Juice drinks	No additives/preservatives	1,236
	Low/no/reduced sugar	414
	Functional	161
Alcoholic beverages	Premium	113
	Social media	52
	Ethical - environmentally friendly product	45
Other beverages	No additives/preservatives	205
	Low/no/reduced sugar	153
	Functional	125
Rtds	No additives/preservatives	234
	Low/no/reduced sugar	187
	Social media	66
Water	Low/no/reduced sugar	88
	Vitamin/Mineral Fortified	50
	Ethical - environmentally friendly package	35
Carbonated soft drinks	Low/no/reduced calorie	59
	Low/no/reduced sugar	58
	Event merchandising	49
Sports & energy drinks	Vitamin/mineral fortified	138
	Functional	83
	No additives/preservatives	34

Source: Mintel, 2017.

Oats and barley beverages

During the 10 year review period, 627 beverage products containing oats and barleys were launched in China. Most of the beverage products were launched in the hot beverages, alcoholic beverages, and other beverages categories (e.g. meal replacements, beverage concentrates, etc.). Over half of the beverage launches were new product introductions while 18% were new packaging and relaunches. The companies to launch the most beverage products containing oats and barley were AB Food & Beverages, Nestlé, and Shanghai Yinglian Foods & Beverage.

Oats and barley beverage products launched in China, from January 2006 to December 2016



Source: Mintel, 2017.

Top oats and barley beverage product category and their sub-categories
From January 2006 to December 2016.

Category	Sub-Category	Number of products
Hot beverages	Malt & other hot beverages	257
	Tea	83
	Coffee	13
Alcoholic beverages	Beer	110
	Other spirits	29
	Liqueur	6
	Flavoured alcoholic beverages	5
	Vodka	5
Other beverages	Meal replacements & other drinks	27
	Beverage concentrates	19
	Beverage mixes	15
Rtds	Rtd (iced) tea	21
	Rtd (iced) coffee	2
Juice drinks	Fruit/flavoured still drinks	17
	Nectars	3
	Juice	1
Carbonated soft drinks	Carbonated soft drinks	7
Sports & energy drinks	Energy drinks	3
	Total products launched	627

Top oats and barley beverage companies and their sub-categories
From January 2006 to December 2016.

Company	Sub-Category	Number of products
AB Food & Beverages	Malt & other hot beverages	17
	Tea	1
	Beverage mixes	1
Nestlé	Malt & other hot beverages	16
	Coffee	1
Shanghai Yinglian Foods & Beverage	Malt & other hot beverages	11
Guangdong Black Cow Foods Industry Co	Malt & other hot beverages	8
	Tea	1
Diageo	Liqueur	4
	Vodka	2
	Beer	1
Huang He Well-Brew Beer	Beer	6
	Carbonated soft drinks	1
Mayushan Foods	Malt & other hot beverages	7
Shantou Aosida Foods	Malt & other hot beverages	5
	Coffee	2
Budweiser Wuhan International Brewing	Beer	6
Harboes Bryggeri	Beer	6

Source for both: Mintel, 2017.

Red Bean, Pearl Barley and Yam Powder

Record ID:	4513383
Company:	Jinmofang Health Technology
Brand:	Jinmofang
Category:	Hot Beverages
Sub-Category:	Malt & Other Hot Beverages
Country:	China
Country of Manufacture:	China
Import Status:	Not imported
Store Name:	Up Market
Store Type:	Supermarket
Store Address:	Wuhan 430072
Date Published:	Dec 2016
Product source:	Shopper
Launch Type:	New Product
Price in US Dollars:	$ 17.10
Bar Code:	6959105504248

Product Description

Jinmofang Hong Dou Yi Mi Shan Yao Fen (Red Bean, Pearl Barley and Yam Powder) is QS certified. The handmade instant product retails in a 500g pack containing 20 x 25g units featuring the WeChat QR code.

Nutritious Compound Oatmeal

Record ID:	4325019
Company:	Nestlé
Brand:	Nestlé Nesvita
Category:	Hot Beverages
Sub-Category:	Malt & Other Hot Beverages
Country:	China
Country of Manufacture:	China
Import Status:	Not imported
Store Name:	WEI DUO LI
Store Type:	Mass Merchandise/Hypermarket
Store Address:	HUHEHAOTE 010000
Date Published:	Sep 2016
Product source:	Shopper
Launch Type:	Relaunch
Price in US Dollars:	$ 1.98
Bar Code:	6917878035802

Product Description

Nestlé Nesvita Yan Mai Ying Yang Fu He Mai Pian (Nutritious Compound Oatmeal) has been relaunched with a new formulation and a new packaging. It is made using whole wheat and imported oats from the UK, and said to be rich in dietary fibre. According to the manufacturer, dietary fibre helps regulate gastrointestinal tract function normally. This product can be prepared in about one minute and retails in a newly designed 250g pack containing 10 25g units and bearing the Weibo code.

Black Wheat Beer

Record ID:	4315579
Company:	Brauerei Simon
Distributor:	Jia Si Te Trading
Brand:	Brauerei Simon
Category:	Alcoholic Beverages
Sub-Category:	Beer
Country:	China
Store Name:	Metro
Store Type:	Mass Merchandise/Hyper market
Store Address:	Cheng Du 610000
Date Published:	Sep 2016
Product source:	Shopper
Launch Type:	New Variety/Range Extension
Price in local currency:	CNY93.80
Price in US Dollars:	$ 14.06
Bar Code:	4001424001402

Product Description

Brauerei Simon Xiao Mai Hei Pi Jiu (Black Wheat Beer) is imported from Germany. This product retails in a pack containing six 500ml cans, and featuring a free beer glass.

Barley Tea

Record ID:	4087461
Company:	Ming Feng Tea
Brand:	Hongenyan Mingbo
Category:	Hot Beverages
Sub-Category:	Tea
Country:	China
Country of Manufacture:	China
Import Status:	Not imported
Store Name:	Carrefour
Store Type:	Mass Merchandise/Hype rmarket
Store Address:	Shanghai 200063
Date Published:	Jun 2016
Product source:	Shopper
Launch Type:	New Packaging
Price in US Dollars:	$ 1.04
Bar Code:	6933591913333

Product Description

Hongenyan Mingbo Da Mai Cha (Barley Tea) has been repackaged. This product is now available in a newly designed 180g pack containing 30 tea bags.

For more information

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in China**
  www.tradecommissioner.gc.ca/cn

- **Find a Trade Commissioner**
  [www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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Resources

Mintel Global New Products Database (GNPD), 2017.

Commodity Innovation Series

Beverage products in China
Global Analysis Report

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